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- 1. The Yugoslav Army has at present 32 infantry divisions, 18 of which are reportedly in a state of full military preparedness. This number, however, does not include the divisions of the KNOJ, and units of the Navy and Air Force.
- 2. Eighty percent of the commanding staff of the Yugoslav Army allegedly support the Cominform. Orders issued by the latter demand that they wait for instructions pending any military action. On the other hand, nationalist influence is particularly videspread among the youthful Army officer set, and the non-commissioned officers, and numerous acts of sabotage have been carried out by these two groups.
- 3. Facing the possibility that military formations could disintegrate, as was the case under German attack in World War II, the Yugoslav Central Committee has recently begun the formation of an "Other Army" (Druga Armija), which would be largely composed of young men and former Partisan fighters. The battle area of the new army would be confined to the internal sector of Yugoslavia, against the Fifth Column, of which the Royalists are considered to be the most powerful representatives. It is believed that in the moment of a political crisis the Royalist emigres would return to Yugoslavia and attempt to take over the leadership in the battle against Cominformists (sic).
- 4. Training of the "Other Army" has been entrusted to the Union of Fighters (Savez Boraca), and Lt. Gen. Veljko Micunovic has been appointed by the Central Committee as the officer in charge of this task. In addition to regular military training, the men are trained in guerrilla warfare, so that in the event of a possible disintegration of regular Army units, they could serve as a protective cover for retreating Party officials.
- 5. An important factor to be stressed is that to date Yugoslavia has been given no guarantee by the Atlantic Pact for direct military assistance in the event of a revolution from within or an attack from without. It is believed that the Western Powers will assume a definite stand only when it has become clear as to who will emerge as the leader in the armed conflict with the Cominform, the Tito faction, or the nationalists. Considering the work and accomplishments

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of Yugoslav emigres, it is alleged that these will be neglibible in bringing about a change if not coordinated with and subordinate to the activities of the nationalists in Yugoslavia.

- 6. Yugoslavia's economy is receding as a result of passive resistance on the part of workers and peasants. The coal output has decreased, electrification projects have been halted, and the food situation remains critical, despite assistance from abroad.
- 7. Frequent desertions within the Army have compelled the regime to establish disciplinary battalions. All officers and men who are placed in these battalions are punished in accordance with the military criminal code, and are deprived of their rank. It is considered that these units would be the most fervid opponents of the present Yugoslav regime in the event of an armed conflict.

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1. which reports on para-military training in Slovenia.